

*One Hundred and Tenth*  
**ANNUAL REPORT**  
1942

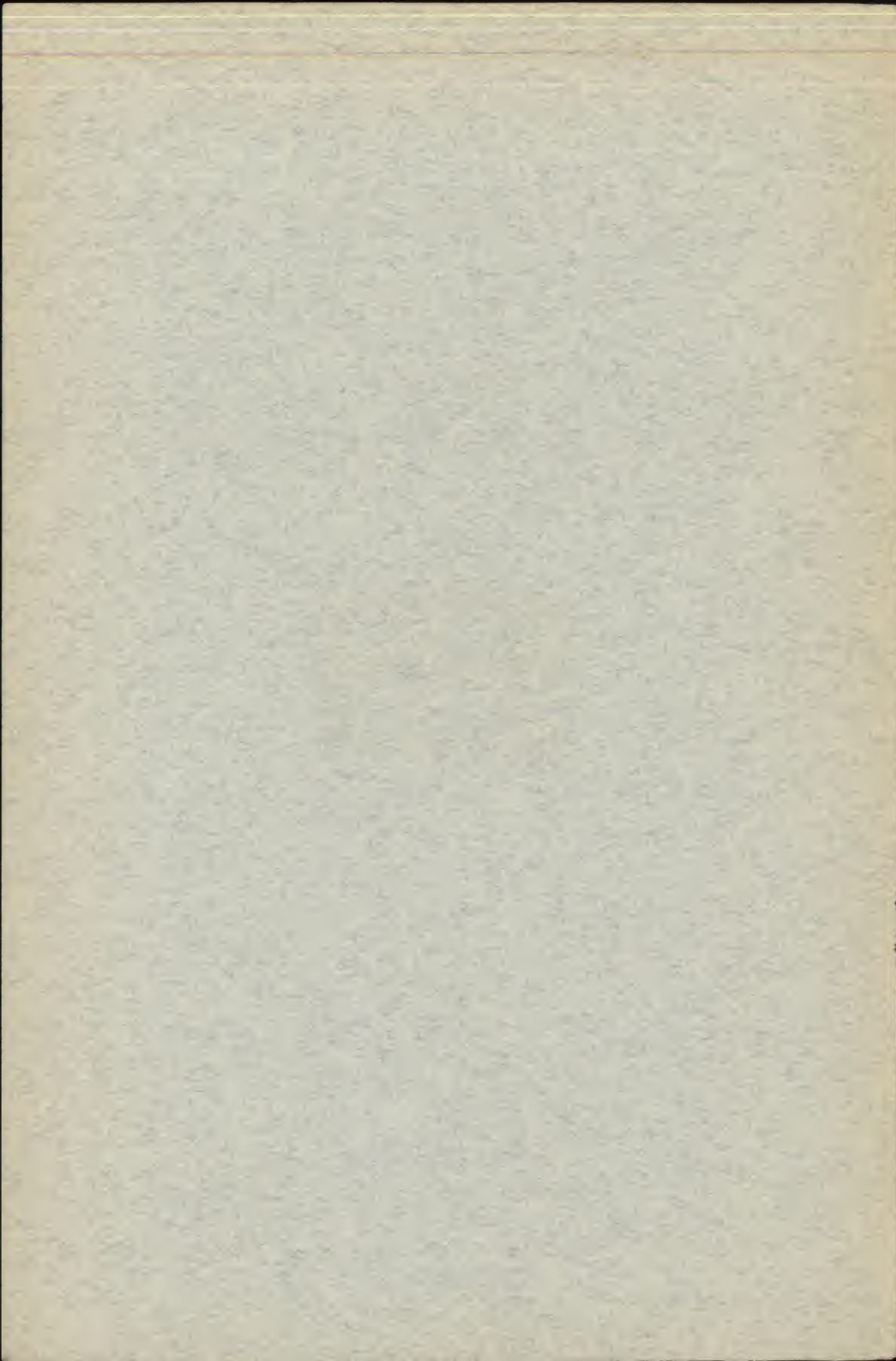


YEAR ENDED  
DECEMBER 31, 1942

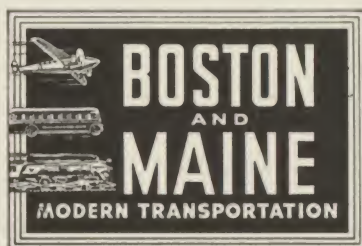
WPA BOARDS

652,0973

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1942



YEAR ENDED  
DECEMBER 31, 1942



## DIRECTORS

PHILIP R. ALLEN, E. Walpole, Mass.	JAMES GARFIELD, Cambridge, Mass.
ROGER AMORY, Boston, Mass.	ALDUS C. HIGGINS, Worcester, Mass.
LOUIS M. ATHERTON, Swampscott, Mass.	ERNEST M. HOPKINS, Hanover, N.H.
HUGH J. CHISHOLM, Portland, Maine	LOUIS K. LIGGETT, Brookline, Mass.
*WILLIAM DEXTER, Lancaster, Mass.	AUGUSTUS P. LORING, JR., Beverly, Mass.
FAIRMAN R. DICK, New York, N. Y.	JOHN R. McLANE, Manchester, N.H.
HARRY H. DUDLEY, Concord, N.H.	ARTHUR B. NICHOLS, Melrose, Mass.
FREDERIC C. DUMAINE, JR., Weston, Mass.	ROY L. PATRICK, Burlington, Vt.
REGINALD FOSTER, Manchester, Mass.	WILLIAM B. SKELTON, Lewiston, Me.
EDWARD S. FRENCH, Springfield, Vt.	J. DUNCAN UPHAM, Claremont, N. H.
WILLIAM D. WOOLSON, Springfield, Vt.	

\* Died February 8, 1943.

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## OFFICERS

President and Chairman of Executive Committee . . .	EDWARD S. FRENCH
Vice-President and Clerk of Corporation . . .	ARTHUR B. NICHOLS
Vice-President — Finance and Accounting . . .	W. S. TROWBRIDGE
Vice-President — Operating . . .	J. W. SMITH
Vice-President — Purchases and Stores . . .	A. W. MUNSTER
Vice-President — Traffic . . .	J. W. RIMMER
Treasurer . . .	E. J. GALLAGHER
General Counsel . . .	W. A. COLE
Chief Engineer . . .	T. G. SUGHRUE



Transfer Agent in Boston for all classes of stock, Old Colony Trust Company, 45 Milk Street, Boston, Massachusetts.

Transfer Agent in New York for common stock, Guaranty Trust Company, 140 Broadway, New York City.

## BOSTON AND MAINE RAILROAD

*To the Owners of Boston and Maine Railroad:*

On behalf of the Board of Directors there is submitted herewith a report for the year ended December 31, 1942.

### INCOME ACCOUNT — CONDENSED

	1942	Increase or Decrease	Per Cent
Operating Revenues.....	\$77,646,670 45	\$18,443,259 12	31.15
Operating Expenses.....	49,350,039 35	9,052,567 05	22.46
Net Revenue from Operations.....	\$28,296,631 10	\$ 9,390,692 07	49.67
Railway Tax Accruals.....	9,069,776 03	4,031,745 31	80.03
Railway Operating Income.....	\$19,226,855 07	\$ 5,358,946 76	38.64
Equipment and Joint Facility Rents — Net Dr....	3,405,067 46	29,756 75	.88
Net Railway Operating Income.....	\$15,821,787 61	\$ 5,329,190 01	50.79
Other Income.....	1,692,912 34	370,906 87	28.06
Total Income.....	\$17,514,699 95	\$ 5,700,096 88	48.25
Deductions:			
Rental Payments.....	\$ 1,161,622 10	D \$ 172,903 41	12.96
Interest on Debt — Fixed Interest.....	3,167,222 48	D 53,885 11	1.67
Interest on Unfunded Debt.....	* 436,381 87	419,685 68	
Other Deductions.....	190,458 92	89,625 21	88.88
Total Deductions.....	\$ 4,955,685 37	\$ 282,522 37	6.05
Income After Fixed Charges (Available Net Income)	\$12,559,014 58	\$ 5,417,574 51	75.86

*D indicates decrease.*

Income after Fixed Charges (Available Net Income) has been allocated in accordance with Mortgage Indentures to the following purposes:

Capital Fund.....	\$ 995,511 04
Sinking Fund for redemption of Series RR Bonds.....	679,102 00
Interest on Income Bonds Series A:	
Accrued for period, Jan. 1 to Dec. 31, 1942 at $4\frac{1}{2}\%$ .....	2,061,443 95
Sinking Fund for redemption of Series A Bonds.....	482,870 00
Purchase or payment of mortgage bonds.....	2,781,000 00
Increase the Capital Fund.....	2,906,649 86
Purchase or payment of funded debt or for expenditures for property or investments as may later be determined by the Board of Directors.....	2,652,437 73
<i>Total</i> .....	<u>\$12,559,014 58</u>

\* Includes \$433,733.40 for interest paid Collector of Internal Revenue in settlement of Prior Years' Income Taxes

## CAPITAL STOCK

The number of shares of Capital Stock of all classes outstanding December 31, 1942, including fully-paid negotiable receipts for subscriptions to Prior Preference Stock, was 1,046,113 shares, of a par value of \$104,611,300.

## CHANGES IN FUNDED DEBT

Funded Debt on December 31, 1942 amounted to \$120,174,200, a decrease of \$5,132,300 since December 31, 1941. Of the total Funded Debt, \$3,089,000 is owned by the Railroad, leaving a balance of \$117,085,200 outstanding in the hands of the public.

### DECREASE IN FUNDED DEBT:

#### Reacquired and Cancelled:

Series RR 1st Mtge. 4% Bonds due 7/1/60.....	\$1,641,300 00	
Series A Income Mtge. 4½% Bonds due 7/1/70.....	2,562,000 00	\$4,203,300 00

#### Matured Funded Debt Paid Off:

Series V Gen. Mtge. 5% Bonds paid 3/1/42.....	\$ 124,000 00	
“ W “ “ 5% “ “ 4/1/42.....	12,000 00	
“ X “ “ 5% “ “ 7/1/42.....	5,000 00	
“ “ 4% “ “ 8/1/42.....	73,000 00	

#### Equipment Trusts:

No. 4 — 4½% Trust Cert. paid 4/1/42.....	125,000 00	
No. 5 — 5 % “ “ 5/1/42.....	114,000 00	
No. 6 — 4 % “ “ 6/1/42 & 12/1/42.....	176,000 00	
No. 7 — 3½% “ “ 12/1/42.....	300,000 00	929,000 00

<i>Total Decrease</i> .....	<u>\$5,132,300 00</u>
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Of the above Total Decrease, funded debt retired which applies against the \$25,000,000 debt retirement provision of Article 7-A, Section 2, Paragraph 6, of the Mortgage Indenture amounts to. Retired under this provision in prior years.....

\$3,824,800 00
<u>1,254,000 00</u>

<i>Total to December 31, 1942</i> .....	<u>\$5,078,800 00</u>
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## FREIGHT TRAFFIC

Freight revenue for the year amounted to \$55,736,632.60. This is an increase of 24.6% over 1941 and 61.4% over 1940.

The influence of government traffic was pronounced, particularly shipments moving to navy yards, air bases, army camps, arsenals and shipyards. This traffic, together with all other tonnage incident to the war program, created the largest volume in the history of the company.

A significant change in traffic characteristics took place during the year. Seasonal fluctuations were greatly altered. In many instances the normal flow of traffic was directly reversed. Consumer goods, including foodstuffs, automobiles,



household appliances, etc., showed a marked decrease and in some cases entirely disappeared. During the year the practical completion of the country's war construction program resulted in a declining trend in the movement of building materials.

The diversion of traffic from water routes to all-rail routes, which commenced in 1941, continued in increasing volume throughout 1942, as a consequence of which our interchange of traffic with water carriers at Boston and Portland consisted largely of lend-lease or other government material.

The movement of various kinds of fuel merits particular mention. All-rail bituminous commercial coal amounted to 58,667 carloads, an increase of 103.5%. This increase in our all-rail tonnage was far in excess of the decrease in our rail movement of water-borne bituminous. Anthracite coal tonnage for the fourth successive year showed an improvement and totalled 40,224 carloads. Both these figures were the highest for more than a decade. Previous to 1942 practically all petroleum shipments reaching our territory moved through tidewater ports and that portion which moved by rail yielded a relatively short haul. The elimination from this service of tanker vessels resulted in the petroleum traffic beginning to reach us in small quantities in all-rail service in February, 1942. The volume increased through succeeding months and at the close of the year we had handled approximately 75,000 tank cars of all-rail petroleum and its products, all of which was given expedited service without disruption of train schedules on other traffic.

The petition filed with the Interstate Commerce Commission in December, 1941, as mentioned in the last Annual Report, for a ten percent increase in freight rates on all commodities with the exception of coal, coke and iron ore, on which an increase of 6¢ per gross ton was requested, was promptly acted upon by the Commission, and effective March 18, 1942, the carriers were granted an increase of 6% in rates on traffic other than Products of Agriculture and Animals on which, as well as on certain low-grade commodities, the increase amounted to 3%, and on coal and coke the increase was fixed at 5¢ per net ton. In December, 1942, the Price Administrator and other interests petitioned the Commission to remove these increases. The carriers filed an appropriate reply and the case was heard commencing February 2.

#### PASSENGER TRAFFIC

Passenger revenue for the year amounted to \$14,967,404.23, an increase of 82% over 1941, and was the highest since 1929.

Although passenger fares, with the exception of furlough fares granted to men in the armed services, were generally increased 10% by authority of the Interstate Commerce Commission, effective February 10, 1942, the sharp upswing in our revenue was due to the tremendous movement of armed forces, as well as the diversion of highway travel to the railroads as a consequence of tire and gasoline rationing.

Civilian travel essential to the war effort grew steadily throughout the year. Recreational and vacation travel during the summer and fall was of substantial

proportions. Summer schedules, with some modifications, were maintained. Our company joined other carriers in frankly informing the public — through advertising and other means of publicity — as to the exacting and extensive task which faced the railroads and at the same time we urged patrons to make reservations well in advance and to avoid peak weekend travel by riding mid-week whenever possible.

At all times we recognized our obligation to give preferential service to the Government's requirements and do our part in the furthering of an all-out war program.

Early in the year it became clear that our equipment would be taxed to the utmost. This necessarily curtailed promotional activities with consequent elimination of reduced fares and other travel inducements. Further, to make available railway cars and motive power, and to expedite the movement of traffic for the successful prosecution of the war, an order of the Office of Defense Transportation — effective October 4th — restricted the operation of extra or special trains other than for the specific needs of the war effort. Sections of established trains were prohibited except where they had been regularly operated in the past, or were needed to meet the demands of the military or naval forces.

Indications point to a continuance of travel at the present high level, requiring capacity use of all available equipment. Adjustments of service to keep pace with changing conditions are inevitable. Maintenance of pre-war standards will not always be possible but it will be our effort to keep inconvenience to the public at a minimum. We will continue our policy of being frank with the public and are confident we can rely upon their willing cooperation.

Petitions for removal of the ten percent increase in passenger fares, previously referred to, have been filed by various interests with the Interstate Commerce Commission which now has the matter under consideration.

#### **MILK TRAFFIC**

Milk revenue of \$972,904.78 is an increase of 13.7% over 1941.

The return to rail transportation of some of the milk which had been moving by truck plus greater consumption was mainly responsible for the substantial increase in revenue.

#### **EXPRESS TRAFFIC**

Express revenue of \$1,135,045.55 is an increase of 51.1% chiefly due to the larger volume handled resulting from the war effort.

#### **FRANKLIN & TILTON RAILROAD**

In accordance with action taken at the last annual meeting and authority given by the Interstate Commerce Commission all the property and franchises of the Franklin & Tilton Railroad have been conveyed to the company. The company owned all the stock of the Franklin & Tilton and has operated its line under lease since 1895. It is planned to dissolve the Franklin & Tilton corporation.



### BRANCH LINE ABANDONMENTS

During the year the Interstate Commerce Commission authorized abandonment of the following sections of branch lines:

	<u>Miles</u>
Peterborough — Elmwood, N.H.	6.5
Hillsboro — Emerson, “	4.6
Dover — Gonic, “	7.0
Farmington — Alton, “	9.1
Nashua — Hudson, “	2.2
Milford — South Milford, “	1.5
Hamilton — Essex, Mass.	5.5

The two lines first mentioned were owned by lessor companies which joined in the applications to the Commission.

### ROLLING STOCK

During the year we acquired and put in service three 1000-horsepower and one 360-horsepower Diesel-engined switchers. We also bought for use in the Hoosac Tunnel two used electric locomotives of the same type as the other units we have in service there. We were fortunate to be able to lease from other railroads at different periods steam locomotive power which operated a total of 118,192 miles of train service.

On December 31, 1942 our ownership included —

- 440 Steam Locomotives
- 9 Electric Locomotives
- 28 Diesel Locomotives.

Revenue freight car ownership was increased by the addition of 493 gondola coal cars (completing an order for 500 cars), 203 box cars and 2 flat cars. 68 freight car units were retired and 17 were converted to non-revenue use. On December 31st we owned a total of 6,779 revenue freight cars of all types.

We were able to purchase from other carriers a total of 20 passenger-carrying units and to lease 6 more units in order to increase our facilities and meet demands for transportation. Our December 31st passenger equipment ownership comprised a total of 1,129 units.

### RETIREMENTS

An extensive program for the retirement of unnecessary and unused buildings and structures was undertaken. This resulted in the retirement and demolition or sale of 338 buildings.

### ADDITIONS AND BETTERMENTS

69.4 single track miles of new 112-lb. rail were laid in Fitchburg Division main line. Additional track installations were made to serve United States Government facilities at Ft. Devens, Massachusetts, Army Air Base at Bedford, Massachusetts, Ammunition Depot at Maynard, Massachusetts and Supply Depot at Scotia, New York.

In addition to the branch lines abandoned which are referred to elsewhere in this report we retired the track from Fabyan to Bretton Woods, N. H., a large number of unused sidetracks and unused spans of 14 track bridges all of which provided steel either for reuse or for scrap.

2 grade crossings at Canaan, N. H. were eliminated by the construction of an overhead bridge and 1 crossing at Webb, N. H. by closing. In addition, through the abandonment of lines, 43 other crossings were eliminated.

A total of 20.2 single track miles of stone ballast was installed on the New Hampshire and Portland Divisions. 9 single track miles of gravel ballast were installed on the Connecticut River main line between Brattleboro and Putney, Vermont. 53.4 single track miles of stone ballast at various locations on the Portland, Fitchburg and Terminal Divisions were resurfaced. 8,000 tons of rip rap were placed at various locations on the New Hampshire Division to protect embankments.

6 track bridges and 3 culverts were rebuilt and 2 culverts were extended. 3 overhead bridges were entirely rebuilt and 5 more were partially rebuilt.

The increased use of diesel-engined switchers made necessary the installation of fuel oil storage at Biddeford, Me., Mechanicville, N. Y., Keene, N.H., Holyoke, Lowell and North Adams, Mass.

During the year we completed the repainting of 45 station buildings and other structures.

An accelerated program for mechanization of track machinery and appliances in order to offset to some extent the shortage of labor which will continue to exist because of the departure of men to enter the armed-services has been adopted which will provide for the acquisition of additional and replacement units each year.

Old style crossing signal protection was replaced by up-to-date automatic flashing signals at 5 crossings and similar signals were installed at 5 additional crossings.

Progress is being made in filling the remaining trestle area in the Boston Terminal Yard, considerable amount of fill having been placed during the year.

During the 13-hour period from mid-afternoon on June 14, 1942 to the following morning unusually heavy rain-fall of 3.17" to 9.32" for a distance of about 10 miles on the New Hampshire Division between Concord and Woodsville, N. H., caused serious damage to the line. Within that distance there was a total of 29 washouts which averaged length of 200' and depth of 7'. To restore service it was necessary to construct 1 trestle 60' in length and 2 trestles 90' in length, the depth of the washouts being 15' in one case and 25' in the other. 300 cars of fill were used. The line was restored to use on June 23.

During the year 21,646,402 passengers were handled by train in and out of North Station in Boston. This was a gain of more than 31% over 1941 and was the second largest complete year in the history of the present North Station. The only year which exceeded this was 1929 when the number was 22,290,447. The rentals received by the Railroad for the concessions in the North Station during this year of heavy passenger travel were the largest since the present station was built.



## MATERIALS AND SUPPLIES

In anticipation of a shortage of materials, we entered the year 1942 with the largest investment in materials and supplies since 1935.

On March 16th, the War Production Board placed us under the Priorities Requirement Plan under which we were allocated material after we had submitted our requirements to Washington.

The numerous regulations and reports required additional personnel with consequent waiting periods before whole or part approval of our applications were passed on by the W. P. B.

Commencing with June, 1942, in compliance with War Production rules, we have reduced our inventory of supplies each month. A reduction in inventory was a prerequisite to obtaining material on orders.

The freezing of tie and lumber stocks and the delay in placing ceiling prices, together with the Government's abnormal demand for lumber, has reduced our receipts to a fraction of the footage ordered.

Our continuous efforts throughout the year 1942 to build up our locomotive supply coal inventories have been unsuccessful, and we had on January 1, 1943, 106,000 net tons on hand as compared with 128,000 net tons in storage and on cars on January 1, 1942. The FOB line-of-road price of locomotive supply coal during 1942 averaged 10 cents per net ton over the average price of 1941.

The value of materials and supplies used in 1942 was \$17,884,255, or 24 per cent greater than that during the corresponding period in 1941.

## OPERATING RESULTS

8 new all-time operating records were established in 1942 when the railroad handled its greatest volume of traffic, both gross and net ton miles, in its history. These comprised:

- Gross tons for each train
- Train miles per train hour
- Gross ton miles per train hour
- Freight car miles per day
- Freight car load
- Net ton miles per car day
- Locomotive miles per day
- Operating ratio.

These record performances were made and the record low coal consumption of 94 pounds per thousand gross ton miles set in 1941 was maintained in 1942.

The average freight car on Boston and Maine lines in 1942 travelled 50.6 miles per day compared to 42.2 miles in 1941 and there were less cars on the line than in 1941.

The average load in this car was 28.1 tons compared to 22.6 tons in 1941.

The average net ton miles per car day was 921 compared to 659 in 1941.

The average train speed was 14.8 miles per hour.

The average number of gross tons per train was 2,261.



The last two records produced an all-time high of 33,274 gross ton miles per train hour, an increase of 10.6% over the best previous record.

It is of interest to note that although there was an increase of 36% in net ton miles the cost of freight car hire increased but 1.4% which reflects the intensified use of freight cars during 1942.

Bad order freight cars were reduced to 2.3%, a low figure considering their increased use.

Greater demands were made upon all road locomotives. In freight service the average locomotive moved 99.9 miles per day, an increase of 18.5% over the 1941 figures.

The use of passenger locomotives increased to 112.3 miles per day, an increase of 7.5% over the figure of 104.5 for 1941.

Inability to purchase additional new locomotives made it imperative to maintain all motive power at peak efficiency and 1942 results showed that 88.5% of all freight power was maintained in serviceable condition compared to 81.3% serviceable in 1941.

Serviceable passenger locomotives were 86.6% compared to 82.3% in 1941.

These operating efficiencies resulted in a ratio of operating expenses to operating revenues for the year of 63.56%, the lowest of which we have any record on the Boston and Maine Railroad.

#### TAXES

Federal, State, and Local Taxes paid or to be paid by the Boston and Maine Railroad chargeable against 1942 Income amount to \$9,094,752, compared with \$5,239,208 for the year 1941. These taxes compare with previous years as follows:

	1938	1939	1940	1941	1942
Federal.....	\$ 87,003	\$ 94,016	\$ 137,050	\$1,260,116	\$4,296,570
State.....	936,811	740,579	698,580	781,503	1,217,991
Social Security* — Railroad Retirement and Unemployment..	1,242,115	1,241,572	1,405,894	1,628,067	1,974,632
Property.....	1,549,883	1,548,387	1,555,417	1,562,377	1,589,587
Miscellaneous.....	9,308	8,415	9,584	7,145	15,972
	<u>\$3,825,120</u>	<u>\$3,632,969</u>	<u>\$3,806,525</u>	<u>\$5,239,208</u>	<u>\$9,094,752</u>

The following table shows corporate taxes on a per share and per employee basis:

Year	Per Share	Per Employee
1938.....	\$3 66	\$316 49
1939.....	3 47	300 42
1940.....	3 64	319 07
1941.....	5 01	396 34
1942.....	8 69	623 53

Railroad Retirement and Unemployment Insurance Taxes for the benefit of employees paid the Federal Government by the Railroad in respect to 1942 pay rolls amounted to \$1,974,632, an average of \$135.38 per employee.

\*Note: Taxes under the Social Security Act were assessed by individual states prior to June 30, 1939. Effective July 1, 1939, assessment of these taxes was subject to jurisdiction of the Railroad Retirement Board.

On December 31, 1942 the records show that 1,951 of the personnel of the Boston and Maine Railroad had been furloughed to enter various branches of military and naval service. Included in this number are two women. We have been advised that seven of this large number of furloughed employees have made the supreme sacrifice and given their lives for their country.

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In the death of William Dexter on the eighth of February, 1943, the Boston and Maine Railroad suffers major loss from among its wise counselors.

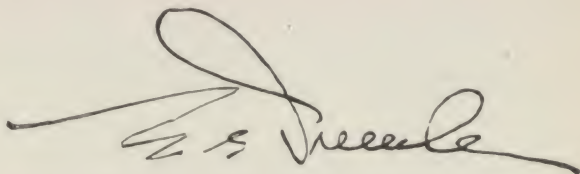
Carrying on the tradition of a great name, he was simple and genuine in his contacts with all with whom he had to do. In his relationships with members of the Board of Directors, his cheerful humor and his understanding of all matters with which the Board had concern made for courage and confidence in such actions as were demanded periodically in critical times. Despite interests which were many and varied, his talents were whole-heartedly and unreservedly available to the Railroad whenever his judgment and ability could be utilized to its advantage.

Through a long period of years covering the Loring, Hannauer, and Perkins administrations, and continuing until his death as an adviser and friend of President French, he participated in constantly increasing degree in all matters having to do with Railroad policy. From his earlier activities, through difficulties of the depression years, the successful refunding of 1940, and the rapidly improving conditions of the last two years, in hard and easier times alike, his loyalty to the Road's best interests and his support of the administrative officers of the Road were continuous and unchanging.

In recording their sense of official loss that one of his strength of character and fine judgment should have been accorded so little time in which to make these available to the common good, the Directors wish even more to express a sorrow very personal to each one of them at the loss of a friend for whom their respect was great and their affection was deep.

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The directors are again happy to record their sincere appreciation for continued cooperation by the Railroad's customers, and for the outstanding services rendered by officers and employees during the year.

A handwritten signature in dark ink, appearing to read "E. S. French". The signature is fluid and cursive, with a long horizontal line extending to the left.

*President.*

February 23, 1943.



# CONDENSED GENERAL BALANCE SHEET — Assets

ROAD AND EQUIPMENT		Dec. 31, 1942	Dec. 31, 1941
Investment in Road.....		\$174,627,063 81	\$178,383,451 47
Investment in Equipment.....		51,670,574 59	49,516,028 99
<i>Total</i> .....		\$226,297,638 40	\$227,899,480 46
Improvements on Leased Property.....		16,713,001 68	17,045,755 91
Sinking Fund.....		624 00	314,800 00
Deposits in Lieu of Mortgaged Property Sold.....		921,849 89	976,448 69
Miscellaneous Physical Property.....		1,349,711 29	1,955,745 08
Investments in Affiliated Companies.....		6,148,000 62	6,159,018 86
Other Investments.....		1,830,095 00	1,740,649 76
<i>Total Investments</i> .....		\$253,260,920 88	\$256,091,898 76
CURRENT ASSETS			
Cash.....	\$	10,638,101 44	\$ 5,656,343 33
Cash in Transit — Agents' Remittances.....		681,718 87	593,409 05
Temporary Cash Investments.....		4,040,000 00	33,000 00
Special Deposits.....		804,133 82	490,074 49
Loans and Bills Receivable.....		208 00	608 00
Net Balance Receivable from Agents and Conductors.....		2,168,889 44	1,387,639 29
Miscellaneous Accounts Receivable.....		5,580,273 52	2,830,201 63
Material and Supplies.....		4,435,422 94	4,299,774 97
Interest and Dividends Receivable.....		87,741 19	111,119 22
Rents Receivable.....		113,000 00	113,000 00
Other Current Assets.....		10,273 58	36,591 71
<i>Total Current Assets</i> .....	\$	28,559,762 80	\$ 15,551,761 69
DEFERRED ASSETS			
Working Fund Advances.....	\$	11,532 61	\$ 10,507 61
Insurance and Other Funds.....		765,270 13	420,810 93
Other Deferred Assets.....		1,713,472 67	1,950,116 52
<i>Total Deferred Assets</i> .....	\$	2,490,275 41	\$ 2,381,435 06
UNADJUSTED DEBITS			
Insurance Premiums Paid in Advance.....	\$	93,186 51	\$ 74,319 66
Discount on Funded Debt.....		725,091 28	786,816 76
Other Unadjusted Debits.....		1,434,784 51	964,210 06
Securities Issued or Assumed — Unpledged.....		2,581,900 00	1,740,400 00
<i>Total Unadjusted Debits</i> .....	\$	4,834,962 30	\$ 3,565,746 48
<i>Grand Total</i> .....		\$289,145,921 39	\$277,590,841 99



# CONDENSED GENERAL BALANCE SHEET — Liabilities

	Dec. 31, 1942	Dec. 31, 1941
<b>CAPITAL STOCK</b>		
Common Stock — 395,051 Shares	\$ 39,505,100 00	\$ 39,505,100 00
Preferred Stock — 31,498 Shares	3,149,800 00	3,149,800 00
First Preferred Stock — 388,179 Shares	38,817,900 00	38,817,900 00
Prior Preference Stock (Includes Negotiable Receipts)	23,138,500 00	23,138,500 00
<i>Total Capital Stock</i>	<i>\$104,611,300 00</i>	<i>\$104,611,300 00</i>
Premiums on Capital Stock	4,227,040 14	4,227,040 14
<i>Total Capital Stock and Premiums</i>	<i>\$108,838,340 14</i>	<i>\$108,838,340 14</i>
Stock Liability for Conversion	1,400 00	1,500 00
Grants in Aid of Construction	\$ 67,275 09	\$ 67,275 09
<b>LONG TERM DEBT</b>		
Funded Debt Unmatured	\$120,174,200 00	\$125,306,500 00
<b>CURRENT LIABILITIES</b>		
Traffic and Car Service Balances — Net Payable	\$ 6,033,050 90	\$ 2,751,470 38
Audited Accounts and Wages Payable	2,792,340 64	2,835,254 37
Miscellaneous Accounts Payable	527,260 98	314,378 55
Interest Matured Unpaid	1,533,533 46	1,403,158 23
Dividends Matured Unpaid	12,858 81	12,858 81
Unmatured Interest Accrued	2,074,441 03	3,247,259 96
Unmatured Rents Accrued	256,518 91	256,598 91
Accrued Tax Liability	5,959,218 09	2,203,793 16
Other Current Liabilities	65,801 87	23,726 00
<i>Total Current Liabilities</i>	<i>\$ 19,255,024 69</i>	<i>\$ 13,048,498 37</i>
<b>DEFERRED LIABILITIES</b>		
Due to Leased Roads at Expiration of Leases	\$ 209,988 70	\$ 209,988 70
Miscellaneous Equipment Obligations	4,454,422 29	3,138,540 78
New York State E.G.C. Projects	384,230 21	343,795 35
Other Deferred Liabilities	23,129 70	25,797 97
<i>Total Deferred Liabilities</i>	<i>\$ 5,071,770 90</i>	<i>\$ 3,718,122 80</i>
<b>UNADJUSTED CREDITS</b>		
Insurance and Casualty Reserves	\$ 50,000 00	\$ 50,000 00
Accrued Depreciation — Road	165,838 81	161,349 85
Accrued Depreciation — Equipment	20,032,839 64	19,147,838 60
Amortization of Defense Projects	622,175 07	—
Accrued Depreciation — Miscellaneous Physical Property	653,237 06	665,971 41
Other Unadjusted Credits	1,750,203 02	1,916,953 12
<i>Total Unadjusted Credits</i>	<i>\$ 23,274,293 60</i>	<i>\$ 21,942,112 98</i>
<b>CORPORATE SURPLUS</b>		
Additions to Property through Income since June 30, 1907	\$ 7,127,366 86	\$ 3,499,122 19
Funded Debt Retired through Income and Surplus	8,926,800 00	4,712,000 00
Sinking Fund Reserves	582,955 52	1,161,972 00
Miscellaneous Fund Reserves	759,641 97	683,453 83
Appropriated Surplus not Specifically Invested	7,933,437 73	2,834,320 57
<i>Total Appropriated Surplus</i>	<i>\$ 25,330,202 08</i>	<i>\$ 12,890,868 59</i>
Profit and Loss — Balance	<i>D 12,866,585 11</i>	<i>D 8,222,375 98</i>
<i>Total Corporate Surplus</i>	<i>\$ 12,463,616 97</i>	<i>\$ 4,668,492 61</i>
<i>Grand Total</i>	<i>\$289,145,921 39</i>	<i>\$277,590,841 99</i>

## BONDS GUARANTEED

The St. Johnsbury and Lake Champlain R.R. Co. First Mortgage 5% Bonds due March 1, 1944	\$1,328,000 00
Concord & Claremont, N. H. R.R. First Mortgage 5% Bonds, due January 1, 1944	500,000 00
The Peterborough and Hillsborough R.R. First Mortgage 4½% Bonds due July 1, 1951, owned by Boston and Maine Railroad	100,000 00
	<b>\$1,928,000 00</b>

D Indicates Debit Balance.

# INCOME ACCOUNT

	Year Ended Dec. 31, 1942	Increase or Decrease	Per cent
<b>TRANSPORTATION REVENUE</b>			
Freight.....	\$55,736,632 60	\$11,018,031 74	24.64
Passenger.....	14,967,404 23	6,742,196 19	81.97
Excess Baggage.....	17,714 53	8,006 31	82.47
Parlor and Chair Car.....	30,746 99	15,117 74	96.73
Mail.....	1,405,834 93	D 16,282 73	1.14
Express.....	1,135,045 55	383,894 35	51.11
Other Passenger-Train.....	270,348 87	D 853 16	0.31
Milk.....	972,904 78	117,560 17	13.74
Switching.....	671,746 13	31,787 93	4.97
Water Transfers — Freight.....	—	D 6,842 62	100.00
<i>Total Transportation Revenue.....</i>	<i>\$75,208,378 61</i>	<i>\$18,292,615 92</i>	<i>32.14</i>
<b>INCIDENTAL REVENUE</b>			
Dining and Buffet.....	\$ 211,713 80	\$ 128,342 17	153.94
Station and Train Privileges.....	119,875 13	D 15,413 74	11.39
Parcel Room.....	32,734 45	15,597 35	91.02
Storage — Freight.....	91,297 27	34,219 44	59.95
Storage — Baggage.....	4,390 52	1,398 38	46.74
Demurrage.....	232,446 05	D 42,867 44	15.57
Telegraph and Telephone.....	25,024 61	6,711 44	36.65
Grain Elevators.....	65,849 13	D 4,727 05	6.70
Power.....	55,496 43	3,885 80	7.53
Rents of Buildings and Other Property.....	863,568 72	132,104 01	18.06
Miscellaneous.....	514,385 70	D 117,973 24	18.66
<i>Total Incidental Revenue.....</i>	<i>\$ 2,216,781 81</i>	<i>\$ 141,277 12</i>	<i>6.81</i>
Joint Facility — Cr.....	\$ 225,715 70	\$ 10,555 36	4.91
Joint Facility — Dr.....	4,205 67	1,189 28	39.43
<i>Total Joint Facility Operating Revenue.....</i>	<i>\$ 221,510 03</i>	<i>\$ 9,366 08</i>	<i>4.41</i>
<i>Total Operating Revenues.....</i>	<i>\$77,646,670 45</i>	<i>\$18,443,259 12</i>	<i>31.15</i>
<b>OPERATING EXPENSES</b>			
Maintenance of Way and Structures.....	\$ 9,178,075 05	\$ 1,830,147 32	24.91
Maintenance of Equipment.....	11,054,690 94	2,476,402 94	28.87
Traffic.....	860,377 75	56,614 08	7.04
Transportation.....	25,891,788 63	4,564,088 85	21.40
Miscellaneous Operations.....	241,911 21	105,077 23	76.79
General.....	2,123,195 77	17,665 76	0.84
Transportation for Investment — Cr.....	—	D 2,570 87	100.00
<i>Total Operating Expenses.....</i>	<i>\$49,350,039 35</i>	<i>\$ 9,052,567 05</i>	<i>22.46</i>
<i>Operating Ratio.....</i>	<i>(63.56%)</i>	<i>D (4.51%)</i>	
<i>Net Operating Revenue.....</i>	<i>\$28,296,631 10</i>	<i>\$ 9,390,692 07</i>	<i>49.67</i>
<b>TAX ACCRUALS.....</b>			
	\$ 9,069,776 03	\$ 4,031,745 31	80.03
<i>Operating Income.....</i>	<i>\$19,226,855 07</i>	<i>\$ 5,358,946 76</i>	<i>38.64</i>
Rent from Locomotives.....	\$ 25,895 63	\$ 9,659 88	59.50
Rent from Passenger-Train Cars.....	603,065 06	278,615 67	85.87
Rent from Work Equipment.....	13,462 64	D 13,579 11	50.22
Joint Facility Rent Income.....	330,475 06	13,109 98	4.13
<i>Total Rent Income.....</i>	<i>\$ 972,898 39</i>	<i>\$ 287,806 42</i>	<i>42.01</i>

D Indicates decrease.



# INCOME ACCOUNT — *Concluded*

	Year Ended Dec. 31, 1942	Increase or Decrease	Per cent
Hire of Freight Cars — Debit Balance.....	\$ 3,125,691 88	\$ 44,446 58	1.44
Rent for Locomotives.....	53,740 98	45,282 20	535.33
Rent for Passenger-Train Cars.....	642,258 18	100,180 80	18.48
Rent for Work Equipment.....	17,261 42	3,810 06	28.32
Joint Facility Rents.....	539,013 39	123,843 53	29.83
<i>Total Rents Payable.....</i>	<i>\$ 4,377,965 85</i>	<i>\$ 317,563 17</i>	<i>7.82</i>
<i>Net Rents Payable.....</i>	<i>\$ 3,405,067 46</i>	<i>\$ 29,756 75</i>	<i>0.88</i>
<i>Net Railway Operating Income.....</i>	<i>\$15,821,787 61</i>	<i>\$ 5,329,190 01</i>	<i>50.79</i>
<b>OTHER INCOME</b>			
Income from Lease of Road and Equipment....	\$ 318,545 04	\$ 165 04	0.05
Miscellaneous Rent Income.....	370,811 40	79,074 73	27.10
Miscellaneous Nonoperating Physical Property..	147,841 30	<i>D</i> 3,415 15	2.26
Separately Operated Properties — Profit.....	295,855 64	295,855 64	—
Dividend Income.....	170,426 73	56,537 77	49.64
Income from Funded Securities.....	299,533 88	<i>D</i> 22,835 78	7.08
Income from Unfunded Securities and Accounts..	8,234 50	<i>D</i> 37,001 40	81.80
Income from Sinking and Other Reserve Funds..	34,742 40	18,840 56	118.48
Release of Premiums on Funded Debt.....	918 68	<i>D</i> 326 15	26.20
Miscellaneous Income.....	46,002 77	<i>D</i> 15,988 39	25.79
<i>Total Other Income.....</i>	<i>\$ 1,692,912 34</i>	<i>\$ 370,906 87</i>	<i>28.06</i>
<i>Total Income.....</i>	<i>\$17,514,699 95</i>	<i>\$ 5,700,096 88</i>	<i>48.25</i>
<b>MISCELLANEOUS DEDUCTIONS FROM INCOME</b>			
Miscellaneous Rents.....	\$ 11,836 30	\$ 5,227 00	79.09
Miscellaneous Tax Accruals.....	24,976 26	<i>D</i> 21 50	0.09
Miscellaneous Income Charges.....	52,250 14	15,218 93	41.10
Income Applied to Sinking and Other Reserve Funds.....	76,188 14	76,188 14	—
<i>Total Miscellaneous Deductions.....</i>	<i>\$ 165,250 84</i>	<i>\$ 96,612 57</i>	<i>140.76</i>
<i>Income Available for Fixed Charges.....</i>	<i>\$17,349,449 11</i>	<i>\$ 5,603,484 31</i>	<i>47.71</i>
<b>FIXED CHARGES</b>			
Rent for Leased Roads.....	\$ 1,149,785 80	<i>D</i> \$ 178,130 41	13.41
Interest on Funded Debt — Fixed Interest.....	3,036,357 41	<i>D</i> 87,229 70	2.79
Interest on Unfunded Debt.....	567,246 94	453,030 27	396.64
Amortization of Discount on Funded Debt.....	37,044 38	<i>D</i> 1,760 36	4.54
<i>Total Fixed Charges.....</i>	<i>\$ 4,790,434 53</i>	<i>\$ 185,909 80</i>	<i>4.04</i>
<i>Income After Fixed Charges.....</i>	<i>\$12,559,014 58</i>	<i>\$ 5,417,574 51</i>	<i>75.86</i>
<b>CONTINGENT CHARGES</b>			
Interest on Funded Debt — Contingent Interest..	\$ 2,061,443 95	<i>D</i> \$ 27,802 55	1.33
<i>Net Income.....</i>	<i>\$10,497,570 63</i>	<i>\$ 5,445,377 06</i>	<i>107.78</i>
<b>DISPOSITION OF NET INCOME</b>			
Income applied to Sinking and Other Reserve Funds.....	\$ 1,161,972 00	—	—
Income Appropriated for Investment in Physical Property.....	3,902,160 90	\$ 1,680,776 84	—
Miscellaneous Appropriations of Income.....	5,433,437 73	4,820,501 22	—
<i>Total Appropriations of Income.....</i>	<i>\$10,497,570 63</i>	<i>\$ 6,501,278 06</i>	<i>—</i>
<i>Balance Transferred to Profit and Loss.....</i>	<i>—</i>	<i><i>D</i> \$ 1,055,901 00</i>	<i>—</i>

*D* Indicates decrease.



# OPERATING EXPENSES

	Year Ended Dec. 31, 1942	Increase or Decrease
<b>MAINTENANCE OF WAY AND STRUCTURES</b>		
Superintendence .....	\$ 514,758 14	\$ 70,598 52
Roadway Maintenance .....	754,625 23	222,225 45
Tunnels and Subways .....	23,720 07	14,141 87
Bridges, Trestles and Culverts .....	256,068 91	D 85,831 05
Ties .....	613,208 46	D 6,553 46
Rails .....	251,036 73	43,990 96
Other Track Material .....	551,675 05	101,186 23
Ballast .....	80,851 82	14,577 19
Track Laying and Surfacing .....	2,671,245 75	678,691 04
Fences, Snowsheds and Signs .....	40,992 77	4,819 43
Station and Office Buildings .....	741,304 21	261,474 44
Roadway Buildings .....	28,879 39	7,996 22
Water Stations .....	73,026 71	24,632 25
Fuel Stations .....	58,141 19	12,422 66
Shops and Enginehouses .....	361,784 14	115,051 51
Grain Elevators .....	27,372 84	8,226 02
Storage Warehouses .....	1,550 73	1,368 55
Wharves and Docks .....	37,662 58	D 25,728 91
Coal and Ore Wharves .....	105,205 06	40,472 48
Telegraph and Telephone Lines .....	47,324 77	4,637 24
Signals and Interlockers .....	742,459 31	154,826 95
Power Plants .....	4,101 51	1,917 04
Power Transmission Systems .....	55,880 61	19,848 59
Miscellaneous Structures .....	4,616 60	3,997 13
Road Property — Depreciation .....	4,488 96	—
Roadway Machines .....	171,512 57	52,707 05
Small Tools and Supplies .....	148,227 92	16,573 98
Removing Snow, Ice and Sand .....	334,875 10	D 4,432 56
Public Improvements — Maintenance .....	147,338 64	D 11,135 99
Injuries to Persons .....	62,229 71	D 6,046 07
Insurance .....	28,697 86	13,777 08
Stationery and Printing .....	8,079 85	1,090 61
Other Expenses .....	2,251 21	1,515 66
Maintaining Joint Tracks, Yards and Other Facilities — <i>Dr.</i> .....	292,140 57	69,625 99
Maintaining Joint Tracks, Yards and Other Facilities — <i>Cr.</i> .....	69,259 92	D 7,483 22
<i>Total Maintenance of Way and Structures .....</i>	<i>\$ 9,178,075 05</i>	<i>\$ 1,830,147 32</i>
<i>Ratio to Total Operating Revenues .....</i>	<i>(11.82%)</i>	<i>D (.59%)</i>
<b>MAINTENANCE OF EQUIPMENT</b>		
Superintendence .....	\$ 375,854 37	\$ 36,493 91
Shop Machinery .....	257,931 97	28,679 10
Power-Plant Machinery .....	79,443 73	20,991 27
Steam Locomotives — Repairs .....	4,683,915 04	819,388 90
Other Locomotives — Repairs .....	181,688 31	52,624 42
Freight-Train Cars — Repairs .....	1,284,302 18	373,602 70
Passenger-Train Cars — Repairs .....	1,685,641 23	419,212 86
Floating Equipment — Repairs .....	—	D 164 34
Work Equipment — Repairs .....	259,570 13	51,186 06
Miscellaneous Equipment — Repairs .....	11,060 89	3,977 83
Equipment — Retirements .....	13,192 18	D 1,887 14
Equipment — Depreciation .....	1,397,198 71	D 27,076 91
Equipment — Amortization of Defense Projects .....	622,175 07	622,175 07
Injuries to Persons .....	48,672 92	D 6,161 78
Insurance .....	28,704 73	21,267 91
Stationery and Printing .....	9,155 84	828 07
Other Expenses .....	39,475 39	36,002 12
Maintaining Joint Equipment at Terminals — <i>Dr.</i> .....	85,530 56	28,396 20
Maintaining Joint Equipment at Terminals — <i>Cr.</i> .....	8,822 31	3,133 31
<i>Total Maintenance of Equipment .....</i>	<i>\$11,054,690 94</i>	<i>\$2,476,402 94</i>
<i>Ratio to Total Operating Revenues .....</i>	<i>(14.24%)</i>	<i>D (.25%)</i>

D Indicates decrease.

# OPERATING EXPENSES — Continued

TRAFFIC	Year Ended Dec. 31, 1942	Increase or Decrease
Superintendence .....	\$ 340,208 00	\$ 26,599 46
Outside Agencies .....	281,021 85	13,201 89
Advertising .....	153,587 68	14,889 75
Traffic Associations .....	42,113 00	10,384 16
Industrial and Immigration Bureaus .....	13,150 26	2,822 77
Insurance .....	26 16	6 05
Stationery and Printing .....	30,250 80	D 10,375 05
Other Expenses .....	20 00	D 914 95
<i>Total Traffic .....</i>	<i>\$ 860,377 75</i>	<i>\$ 56,614 08</i>
<i>Ratio to Total Operating Revenues .....</i>	<i>(1.11%)</i>	<i>D (.25%)</i>
TRANSPORTATION		
Superintendence .....	\$ 684,128 97	\$ 149,706 45
Dispatching Trains .....	231,260 89	22,375 63
Station Employees .....	3,930,357 48	605,708 71
Weighing, Inspection and Demurrage Bureaus .....	23,204 46	3,449 40
Coal and Ore Wharves .....	87,339 57	1,555 48
Station Supplies and Expenses .....	327,673 28	32,084 11
Yardmasters and Yard Clerks .....	665,665 31	144,560 45
Yard Conductors and Brakemen .....	1,433,745 20	224,540 48
Yard Switch and Signal Tenders .....	209,924 38	28,601 24
Yard Enginemen .....	595,449 47	52,364 48
Yard Motormen .....	290,399 46	85,356 14
Yard Switching Fuel .....	539,938 15	16,093 93
Water for Yard Locomotives .....	21,406 14	3,079 57
Lubricants for Yard Locomotives .....	20,298 00	4,422 34
Other Supplies for Yard Locomotives .....	12,313 22	1,508 32
Enginehouse Expenses — Yard .....	162,038 11	39,135 25
Yard Supplies and Expenses .....	63,047 77	11,113 90
Operating Joint Yards and Terminals — <i>Dr.</i> .....	1,644,533 17	443,551 63
Operating Joint Yards and Terminals — <i>Cr.</i> .....	305,737 57	93,508 32
Train Enginemen .....	2,585,066 05	447,308 31
Train Motormen .....	112,903 20	20,758 12
Train Fuel .....	4,403,423 57	820,722 40
Train Power Purchased .....	131,461 70	12,801 49
Water for Train Locomotives .....	158,196 34	7,998 35
Lubricants for Train Locomotives .....	114,688 15	18,354 98
Other Supplies for Train Locomotives .....	67,822 23	13,390 75
Enginehouse Expenses — Train .....	963,744 41	234,964 04
Trainmen .....	3,389,062 66	661,634 09
Train Supplies and Expenses .....	1,102,424 41	217,058 75
Signal and Interlocker Operation .....	489,278 99	25,288 77
Crossing Protection .....	843,127 82	127,458 00
Drawbridge Operation .....	27,648 04	3,590 77
Telegraph and Telephone Operation .....	46,735 48	2,853 66
Operating Floating Equipment .....	135 55	D 7,844 62
Stationery and Printing .....	139,031 51	38,839 73
Other Expenses .....	30,202 15	11,383 15
Operating Joint Tracks and Facilities — <i>Dr.</i> .....	30,192 95	D 10,451 08
Operating Joint Tracks and Facilities — <i>Cr.</i> .....	55,980 00	9,062 01
Insurance .....	7,960 17	3,391 12
Clearing Wrecks .....	40,483 61	12,624 59
Damage to Property .....	27,024 81	D 2,669 95
Damage to Live Stock on Right of Way .....	2,688 75	D 1,634 60
Loss and Damage — Freight .....	362,507 82	104,227 77
Loss and Damage — Baggage .....	2,893 68	1,543 87
Injuries to Persons .....	232,079 12	33,909 21
<i>Total Transportation .....</i>	<i>\$25,891,788 63</i>	<i>\$ 4,564,088 85</i>
<i>Ratio to Total Operating Revenues .....</i>	<i>(33.35%)</i>	<i>D (.26%)</i>

D Indicates decrease.



## OPERATING EXPENSES — *Concluded*

	Year Ended Dec. 31, 1942	Increase or Decrease
<b>MISCELLANEOUS OPERATIONS</b>		
Dining and Buffet Service.....	\$ 228,819 92	\$ 125,495 86
Grain Elevators.....	12,695 79	D 20,655 13
Other Miscellaneous Operations.....	395 50	236 50
<i>Total Miscellaneous Operations.....</i>	<i>\$ 241,911 21</i>	<i>\$ 105,077 23</i>
<i>Ratio to Total Operating Revenues.....</i>	<i>(.31%)</i>	<i>(.08%)</i>
<b>GENERAL</b>		
Salaries and Expenses of General Officers.....	\$ 155,683 15	D \$ 1,751 78
Salaries and Expenses of Clerks and Attendants.....	1,378,569 65	148,792 74
General Office Supplies and Expenses.....	119,344 43	D 2,590 08
Law Expenses.....	171,439 31	31,456 30
Insurance.....	503 43	67 16
Pensions.....	157,257 52	D 98,994 17
Stationery and Printing.....	42,950 93	D 46,233 72
Valuation Expenses.....	24,820 46	715 47
Other Expenses.....	60,244 51	D 13,064 07
General Joint Facilities — <i>Dr.</i> .....	12,382 38	D 732 09
<i>Total General.....</i>	<i>\$ 2,123,195 77</i>	<i>\$ 17,665 76</i>
<i>Ratio to Total Operating Revenues.....</i>	<i>(2.73%)</i>	<i>D (.83%)</i>
Transportation for Investment — <i>Cr.</i> .....	—	D \$ 2,570 87
<i>Total Operating Expenses.....</i>	<i>\$49,350,039 35</i>	<i>\$ 9,052,567 05</i>
<i>Ratio to Total Operating Revenues.....</i>	<i>(63.56%)</i>	<i>D (4.51%)</i>

D Indicates decrease.

## PROFIT AND LOSS ACCOUNT, DECEMBER 31, 1942

Item	Debit	Credit
Balance, December 31, 1941 (Debit).....	\$ 8,222,375 98	\$
Adjustment to Par of Boston and Maine Railroad Bonds Purchased.....		2,458,400 02
Miscellaneous Credits.....		7,557 88
Transferred To "Funded Debt Retired through Income and Surplus" \$4,214,800 00		
From "Sinking and Miscellaneous Fund Reserves"..... 2,348,012 99		
From this Account.....	1,866,787 01	
Loss on Retired Road and Equipment:		
Retirement of Road:		
Dover to Gonic, N. H.....	206,343 55	
Farmington to Alton, N. H.....	278,311 93	
Essex to Hamilton, Mass.....	164,039 89	
Nashua to Hudson, N. H.....	147,719 78	
Retirement of Buildings and Structures:		
Office Building, East Cambridge, Mass.....	489,541 96	
Rotterdam, N. Y., Enginehouse and other Structures...	472,088 60	
East Deerfield, Mass., Enginehouse and other Structures	502,289 64	
Piers 43 and 44, Transfer Bridge, and Grain Galleries, Hoosac and Mystic Docks, Charlestown, Mass.....	799,509 03	
Other Retirements — Various.....	1,769,843 16	
Cancellation of Charges against Vermont and Massachusetts Railroad account of Relocation of road because of Construction of Birch Hill Dam and Reservoir, Baldwinville, Mass.	371,857 04	
Miscellaneous Debits.....	41,835 44	
Balance, December 31, 1942 (Debit).....		12,866,585 11
	\$15,332,543 01	\$15,332,543 01



**ADDITIONS AND BETTERMENTS**  
(OPERATING PROPERTY)  
Year Ended December 31, 1942

Road	Title Account	Gross Expenditures	Property Retired and Sold	Net Capital Changes
1	Engineering.....	\$ 32,879 48	\$ 189,113 05	\$ 156,233 57
2	Land for Transportation Purposes.....	3,202 57	197,996 82	194,794 25
3	Grading.....	37,875 77	514,683 11	476,807 34
6	Bridges, Trestles and Culverts.....	22,787 04	355,977 16	333,190 12
8	Ties.....	11,500 06	174,518 46	163,018 40
9	Rails.....	680,306 88	843,693 91	163,387 03
10	Other Track Material.....	591,095 23	554,559 46	36,535 77
11	Ballast.....	80,456 15	104,425 07	23,968 92
12	Track Laying and Surfacing.....	55,045 99	127,043 85	71,997 86
13	Fences, Snowsheds and Signs.....	—	47,587 36	47,587 36
16	Station and Office Buildings.....	51,028 76	969,969 82	918,941 06
17	Roadway Buildings.....	2,462 77	48,039 13	45,576 36
18	Water Stations.....	24,385 24	80,348 80	55,963 56
19	Fuel Stations.....	10,332 74	121,416 07	111,083 33
20	Shops and Enginehouses.....	125,549 24	872,197 50	746,648 26
21	Grain Elevators.....	—	48,861 00	48,861 00
23	Wharves and Docks.....	—	159,081 56	159,081 56
24	Coal and Ore Wharves.....	—	8,500 00	8,500 00
26	Telegraph and Telephone Lines.....	5,688 92	2,713 84	2,975 08
27	Signals and Interlockers.....	105,061 20	271,409 63	166,348 43
29	Power Plants.....	2,438 58	82,239 73	79,801 15
31	Power-Transmission Systems.....	16,083 51	50,366 34	34,282 83
35	Miscellaneous Structures.....	—	69 95	69 95
37	Roadway Machines.....	67,206 34	107,294 24	40,087 90
38	Roadway Small Tools.....	2,128 63	—	2,128 63
39	Public Improvements — Construction.....	108,190 29	71,940 79	36,249 50
44	Shop Machinery.....	59,308 10	129,502 02	70,193 92
45	Power-Plant Machinery.....	11,400 46	42,444 77	31,044 31
Total Road.....		\$2,106,413 95	\$6,175,993 44	\$4,069,579 49
<b>Equipment</b>				
51	Steam Locomotives.....	\$ 140,921 24	\$ 112,251 16	\$ 28,670 08
52	Other Locomotives.....	331,352 92	13,212 33	318,140 59
53	Freight-Train Cars.....	1,976,548 13	181,347 26	1,795,200 87
54	Passenger-Train Cars.....	172,081 31	136,768 35	35,312 96
57	Work Equipment.....	134,416 90	165,437 17	31,020 27
58	Miscellaneous Equipment.....	11,179 11	2,937 74	8,241 37
Total Equipment.....		\$2,766,499 61	\$ 611,954 01	\$2,154,545 60
<b>General Expenditures</b>				
76	Interest During Construction.....	\$ 5 94	\$ 19,556 46	\$ 19,562 40
Totals.....		\$4,872,907 62	*\$6,807,503 91	\$1,934,596 29

**\*DISPOSITION OF CREDITS TO CAPITAL ACCOUNT**

Account No.		
701	Investment in Road and Equipment — Equipment Converted.....	\$ 42,083 45
708	Cash — Land, Buildings, Equipment, Rail and Track Fastenings Sold.....	351,295 15
716	Material and Supplies — Usable Material.....	597,754 76
776	Reserve for Accrued Depreciation — Equipment.....	512,197 67
727	Other Unadjusted Debits (Ledger Value of Easthampton Branch not being operated).....	65,083 00
531	Operating Expenses.....	751,218 49
619	Profit and Loss — Debits from Retired Road and Equipment.....	4,487,871 39
Total Amount Credited to Investment in Road and Equipment.....		\$6,807,503 91

# CAPITAL STOCK AND FUNDED DEBT OUTSTANDING DECEMBER 31, 1942 — OWNED ROAD

CAPITAL STOCK				Amount in Hands of the Public	Owned, Deposited with Trustee, or Held in Treasury or in Insurance Fund**
	Amount Outstanding	Dividend Rate	Cumulative Dividends Unpaid Since Jan. 1, 1932 *Oct. 1, 1931		
Prior Preference	\$ 23,135,100 00	7 %	†\$ 77 00 per share \$17,662,269 00	\$ 22,938,000 00	\$197,100 00
Prior Preference Negotiable Receipts	3,400 00			3,400 00	
First Preferred, Class A	18,860,000 00	5 %	*\$ 56 25 " " 10,594,181 25	18,834,100 00	25,900 00
" " B	7,648,800 00	8 %	*\$ 90 00 " " 6,883,920 00	7,648,800 00	7,000 00
" " C	7,917,100 00	7 %	*\$ 78 75 " " 6,229,203 75	7,910,100 00	3,100 00
" " D	4,327,000 00	10 %	*\$112 50 " " 4,864,387 50	4,323,900 00	
" " E	65,000 00	4 1/2 %	*\$ 50 625 " " 32,906 25	65,000 00	
Preferred	3,149,800 00	6 %	Non-cumulative	3,149,800 00	32,300 00
Common	39,505,100 00			39,472,800 00	
	\$104,611,300 00			\$104,345,900 00	\$265,400 00

FUNDED DEBT					Rate	Date of Maturity	Amount Outstanding	
General Mortgage Series Y				Jan.	5 %	1, 1943	\$ 47,000 00	\$ 1,000 00
" " Z				May	5 %	1, 1943	62,000 00	
" " Connecticut River				Sept.	4 %	1, 1943	6,000 00	
" " "				Jan.	4 1/2 %	1, 1944	179,000 00	6,000 00
Series AA				Apr.	5 %	1, 1944	470,000 00	
" " CC				Jan.	5 %	1, 1945	29,000 00	
" " DD				June	5 %	1, 1945	83,500 00	
" " EE				Jan.	5 %	1, 1946	6,000 00	
" " FF				Jan.	5 %	1, 1947	52,000 00	
" " GG				Apr.	5 %	1, 1947	13,000 00	
" " "				July	5 %	1, 1950	10,000 00	
" " II				May	5 %	1, 1955	1,237,000 00	15,000 00
First " RR				July	4 %	1, 1960	65,818,200 00	330,000 00
" " JJ				Apr.	4 3/4 %	1, 1961	897,000 00	5,000 00
General " AC				Sept.	5 %	1, 1967	2,424,000 00	641,000 00



Income Mortgage " A.....	45,699,500 00	July	1, 1970	4 1/2 %	43,608,500 00	2,091,000 00
<i>Total Mortgage Bonds.....</i>	<i>\$118,031,200 00</i>				<i>\$114,942,200 00</i>	<i>\$3,089,000 00</i>
Equipment Trust No. 4 Trust Certificates.....	\$ 125,000 00	Apr.	1, 1943	4 1/2 %	\$ 125,000 00	
" " 5.....	228,000 00	May	1, 1943-44	5 %	228,000 00	
" " 6.....	1,220,000 00	June-Dec.	1, 1943-49	4 %	1,220,000 00	
" " 7.....	570,000 00	Dec.	1, 1943-44	3 1/2 %	570,000 00	
<i>Total Equipment Trust Obligations.....</i>	<i>\$ 2,143,000 00</i>				<i>\$ 2,143,000 00</i>	
<i>Grand Total Funded Debt.....</i>	<i>\$120,174,200 00</i>				<i>\$117,085,200 00</i>	<i>\$3,089,000 00</i>

\*\*No interest paid except on bonds held in Insurance Fund.

# CAPITAL STOCK AND FUNDED DEBT OUTSTANDING DECEMBER 31, 1942

## Leased Roads

NAME OF ROAD AND DESCRIPTION	CAPITAL STOCK		
	Amount Outstanding	Dividend Rate (Paid as rental)	Owned, Deposited with Trustee, or Held in Treasury or in Insurance Fund
Nashua and Lowell.....	\$ 800,000 00	9 %	\$ 356,100 00
Stony Brook.....	300,000 00	7 %	22,500 00
Wilton.....	240,000 00	*	232,100 00
Peterborough.....	385,000 00	13 1/4 %	340,600 00
Concord and Portsmouth.....	350,000 00	3 1/2 %	216,400 00
Pemigewasset Valley.....	541,500 00	3 %	403,500 00
Northern.....	3,068,400 00	6 %	245,000 00
Vermont and Massachusetts.....	3,193,000 00	6 %	—
Troy and Bennington.....	150,800 00	10 %	41,900 00
Connecticut and Passumpsic Rivers — Preferred.....	2,500,000 00	6 %	183,700 00
Massachusetts Valley.....	800,000 00	6 %	—
Vermont Valley.....	1,000,000 00	—	1,000,000 00
Sullivan County.....	500,000 00	—	—
Franklin & Tilton.....	265,600 00	—	265,600 00
Peterborough and Hillsborough.....	45,000 00	—	—
Newport & Richford.....	350,000 00	—	—
Concord & Claremont, N. H.....	412,400 00	—	11,700 00
<i>Total Capital Stock.....</i>	<i>\$14,901,700 00</i>		<i>\$3,319,100 00</i>

## FUNDED DEBT

	Bonds Outstanding	Date of Maturity	Rate	Owned, Deposited with Trustee, or Held in Treasury or in Insurance Fund
Connecticut and Passumpsic Rivers... First Mortgage	\$1,900,000 00	Apr. 1, 1943	4 %	\$119,000 00
Concord & Claremont, N. H..... First Mortgage	500,000 00	Jan. 1, 1944	5 %	
Sullivan County..... First Mortgage	357,000 00	Apr. 1, 1944	6 %	100,000 00
Peterborough and Hillsborough..... First Mortgage	100,000 00	July 1, 1951	4 1/2 %	
Peterborough and Hillsborough..... Second Mortgage	65,000 00	Apr. 30, 1887	No interest	343,000 00
Vermont Valley..... First Mortgage	1,454,000 00	Oct. 1, 1955	4 %	
Newport & Richford..... First Mortgage	343,000 00	Jan. 1, 1966	4 %	
<i>Total Funded Debt.....</i>	<i>\$4,719,000 00</i>			<i>\$562,000 00</i>

# MILES OF ROAD OPERATED, DECEMBER 31, 1942

STEAM ROADS	Owned	Leased	Total
Main Lines.....	806 62	243 79	1,050 41
Branch Lines.....	514 86	176 97	691 83
Trackage Rights.....	—	82 28	82 28
<i>Total Road Operated.....</i>	1,321 48	503 04	1,824 52
Second Track.....	440 50	(A) 129 50	570 00
Third Track.....	4 40	(B) 5 53	9 93
Other Tracks.....	900 24	177 53	1,077 77
<i>Total Track Operated.....</i>	2,666 62	815 60	3,482 22

\* Annual rental \$8,844.00.

(A) Includes trackage rights, 14.47 miles.

(B) Includes trackage rights, .99 mile.



## OPERATING STATISTICS

	Year Ended Dec. 31, 1942	Increase or Decrease
<b>AVERAGE MILES OF ROAD OPERATED</b>		
Freight service.....	1,845.91	44.57
Passenger service.....	1,449.37	14.77
<i>Total.....</i>	<i>1,858.13</i>	<i>44.57</i>
<b>TRAIN MILEAGE</b>		
Freight service (with locomotives).....	4,649,877	713,570
Passenger service (with locomotives).....	6,634,052	333,843
Passenger service (without locomotives).....	461,783	29,800
Work service.....	238,367	50,199
<i>Total train miles.....</i>	<i>11,984,079</i>	<i>1,068,352</i>
<b>* LOCOMOTIVE MILEAGE</b>		
Freight service.....	6,006,736	1,110,423
Passenger service.....	7,048,539	373,089
Train switching.....	338,454	25,056
Yard switching.....	2,563,356	205,242
Work service.....	285,439	49,127
<i>Total locomotive miles.....</i>	<i>16,242,524</i>	<i>1,712,825</i>
<b>CAR MILEAGE</b>		
<b>Freight-Train Car Miles:</b>		
Loaded.....	160,772,839	14,076,944
Empty.....	86,963,957	21,524,122
Caboose.....	4,781,395	721,249
<i>Total freight-train car miles.....</i>	<i>252,518,191</i>	<i>36,322,315</i>
<b>Passenger-Train Car Miles:</b>		
Passenger coaches.....	20,950,748	5,577,456
Sleeping and parlor cars.....	4,402,885	502,302
Club, lounge, dining and observation cars.....	324,821	46,271
Business cars.....	12,796	5,641
Mail, express, and baggage cars, and combination cars other than passenger.....	15,633,528	585,302
Combination passenger cars (mail, express, or baggage with passenger).....	4,285,802	14,980
<i>Total passenger-train car miles.....</i>	<i>45,610,580</i>	<i>6,720,670</i>
<i>Total transportation service car miles.....</i>	<i>298,128,771</i>	<i>43,042,985</i>
<b>AVERAGES</b>		
Operating revenues per mile of road.....	\$41,787.53	\$10,672.06
Operating expenses per mile of road.....	26,558.98	5,379.88
Net railway operating income per mile of road.....	8,514.90	3,000.32
Operating revenues per train mile.....	\$ 6.61	\$ 1.09
Operating expenses per train mile.....	4.20	.44
Net railway operating income per train mile.....	1.35	.37
Total Freight cars per revenue train mile.....	53.28	.61
Loaded Freight cars per revenue train mile.....	34.58	.69
Empty Freight cars per revenue train mile.....	18.70	2.08
Total Passenger cars per train mile.....	6.43	.70

\* Includes 400,076 Electric locomotive miles and 945,462 Diesel locomotive miles.  
Italics indicate decrease.

# TRAFFIC STATISTICS

	Year Ended Dec. 31, 1942	Increase or Decrease
<b>FREIGHT</b>		
Freight Revenue.....	\$ 55,736,633	\$ 11,018,032
Tons of revenue freight carried.....	25,336,932	4,511,367
Tons of company freight carried.....	2,106,035	155,599
<i>Total tons of freight carried.....</i>	<i>27,442,967</i>	<i>4,666,966</i>
Tons of revenue freight carried one mile.....	4,304,234,852	1,166,394,554
Tons of company freight carried one mile.....	204,217,925	26,674,021
<i>Total tons of freight carried one mile.....</i>	<i>4,508,452,777</i>	<i>1,193,068,575</i>
<b>PASSENGER</b>		
Passenger Revenue:		
Monthly commutation ticket passengers.....	\$ 801,363.53	\$ 186,570.70
All other commutation ticket passengers.....	1,235,724.34	285,976.41
Single fare ticket passengers (not including interline).....	7,557,619.86	3,485,175.89
Interline ticket passengers.....	5,372,696.50	2,784,473.19
<i>Total passenger revenue.....</i>	<i>\$14,967,404.23</i>	<i>\$ 6,742,196.19</i>
Number of Passengers Carried:		
Monthly commutation ticket passengers.....	3,533,076	611,923
All other commutation ticket passengers.....	6,846,449	1,045,298
Single fare ticket passengers (not including interline).....	12,904,757	4,479,292
Interline ticket passengers.....	2,772,775	1,364,980
<i>Total number of passengers carried.....</i>	<i>26,057,057</i>	<i>7,501,493</i>
Number of Passengers carried one mile:		
Monthly commutation ticket passengers.....	80,348,291	12,875,895
All other commutation ticket passengers.....	65,219,740	11,232,230
Single fare ticket passengers (not including interline).....	373,435,315	156,050,643
Interline ticket passengers.....	230,782,278	109,261,377
<i>Total number of passengers carried one mile.....</i>	<i>749,785,624</i>	<i>289,420,145</i>
Number of passengers to and from Boston, including monthly ticket passengers...	21,646,951	5,162,905
<b>AVERAGES</b>		
Freight:		
Miles hauled — revenue freight.....	169.88	19.21
Tons of revenue freight per train mile.....	925.67	128.52
Tons of revenue freight per loaded car mile.....	26.77	5.38
Revenue per ton of freight.....	\$ 2.19982	\$ .05253
Revenue per ton per mile..... (cents)	1.295	.130
Revenue per revenue train mile.....	\$ 11.987	\$ .626
Freight revenue per loaded car mile..... (cents)	34.668	4.184
Passenger:		
Average distance carried per passenger (miles).....	28.77	3.96
Number of passengers per train mile.....	105.67	37.88
Number of passengers per car mile.....	25.30	5.75
Revenue per passenger..... (cents)	57.45	13.12
Revenue per passenger mile, monthly commutation ticket passengers..... (cents)	1.000	.089
Revenue per passenger mile, other commutation ticket passengers..... (cents)	1.894	.135
Revenue per passenger mile, single-fare not including interline..... (cents)	2.024	.151
Revenue per passenger mile, interline passengers..... (cents)	2.327	.197
Revenue per passenger mile, all passengers..... (cents)	2.000	.213
Passenger revenue per passenger car mile..... (cents)	50.498	15.564
Total passenger service train revenue per train mile.....	\$ 2.649	\$ .948

Italics indicate decrease.





